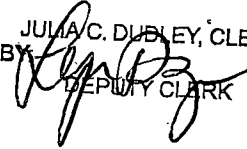


APR 14 2016

JULIA C. DUBLEY, CLERK
BY  DEPUTY CLERK

IN THE
UNITED STATES DISTRICT COURT
FOR THE
WESTERN DISTRICT OF VIRGINIA
LYNCHBURG DIVISION

UNITED STATES OF AMERICA

v.

TERRY R. ROSE,

JACKIE G. WOODSON, JR.

and

STELLA RAYLEAN HESTER-JENKINS

Criminal No. 6'16cr5

In violation of: 18 U.S.C. § 286
18 U.S.C. § 287

SEALED INDICTMENT

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times relevant to this Indictment:

A. Individuals, Entities, Internal Revenue Service Rules Involved

1. JACKIE G. WOODSON, JR. was the owner/operator of the Colbert/Ball Tax Service (CBTS), a tax preparation service, in Lynchburg, Virginia, which is within the Western District of Virginia. STELLA RAYLEAN HESTER-JENKINS and TERRY ROSE were employees of CBTS. CBTS prepared tax returns for clients, which were filed electronically. When employees had questions regarding the preparation of a tax return they would ask WOODSON.

2. The Internal Revenue (IRS) was an agency of the United States Department of Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States and providing refunds, including those resulting

from Earned Income Tax Credit.

3. Earned Income Tax Credit (EITC) is a benefit for working people with low to moderate income. To qualify, the tax payer must meet certain requirements, such as earned income from working for someone or owning a Schedule C business. A tax return must be filed even if the tax payer does not owe any tax or is not required to file. EITC reduces the amount of tax a tax payer owes and may provide for the issuance of a tax refund.

4. A Form Schedule C, which is included with a Form 1040, is required to be included with the Form 1040 to report profit or loss from business operated by a tax payer or a profession the tax payer practiced as a sole proprietor. An activity qualifies as a business if the taxpayer's primary purpose for engaging in the activity is for income or profits and the tax payer in the activity with continuity and regularity.

B. The Manner And Means Of The Conspiracy

1. The conspiracy was designed to allow the Defendants, and others known and unknown to the Grand Jury, to enrich themselves by fraudulent means. Various means and methods were utilized to effectuate the fraud and conceal its existence, including: providing false and fraudulent information; omitting material facts; engaging in conduct the likely effect of which was to mislead and to conceal; and conducting their affairs in a manner intended to conceal and disguise material facts. The Defendants' actions demonstrated a departure from the fundamental principles of honesty, moral uprightness, fair play, and candid dealings as is common in the general life of the community.

2. The Defendants prepared and caused to be filed tax returns which reported false Schedule C income on the clients' tax return in order to maximize the receipt of EITC.

COUNT ONE
(Conspiracy to Defraud the Government with Respect to Claims)

1. The factual allegations contained in Introduction Section of this Indictment are realleged and incorporated herein as if copied verbatim.

2. Beginning in or about February 10, 2009, and continuing through at least in or about February 15, 2012, within the Western District of Virginia, and elsewhere, Defendants TERRY R. ROSE, STELLA RAYLEAN HESTER-JENKINS, JACKIE G. WOODSON, and others known and unknown to the grand jury, agreed, combined, and conspired to defraud the United States by obtaining and aiding to obtain the payment or allowance of [a] false, fictitious and fraudulent claim[s] on behalf of themselves and others by submitting false claims for income tax refund with the United States Department of Treasury through the Internal Revenue Service. The conspiracy was accomplished, in part, by the following acts:

ACTS IN FURTHERANCE OF THE CONSPIRACY

3. To accomplish the objectives of the conspiracy, in the Western District of Virginia and elsewhere, and in furtherance thereof, the Defendants, and others, both known and unknown to the grand jury, committed, among other acts, the following acts in furtherance of the conspiracy:

4. JACKIE G. WOODSON, JR, STELLA RAYLEAN HESTER-JENKINS and TERRY ROSE prepared and filed, and caused to be prepared and filed, false federal income tax returns in the names of the following individuals known to the grand jury, whose initials are listed below, on or about the dates listed below, and claiming refunds for the amounts listed below:

Paragraph	Tax Payer	Date of Filing	Refund Claimed
5	NA	February 4, 2010	\$5,128.00
6	NA	February 2, 2011	\$4,403.00
7	BA	January 28, 2010	\$5,039.00

8	BA	February 2, 2011	\$5,184.00
9	JB	January 27, 2010	\$2,394.00
10	JB	January 21, 2011	\$2,981.00
11	GC	January 27, 2010	\$5,244.00
12	GC	January 25, 2011	\$4,960.00
13	GC	January 24, 2012	\$3,426.00
14	AE	January 13, 2010	\$4,537.00
15	AE	January 7, 2011	\$5,516.00
16	CH	January 29, 2011	\$5,090.00
17	LH	January 29, 2010	\$3,030.00
18	LH	February 2, 2011	\$3,031.00
19	AH	January 14, 2011	\$2,982.00
20	LM	January 19, 2011	\$5,126.00
21	JN	January 23, 2010	\$2,815.00
22	JN	January 7, 2011	\$2,966.00
23	AP	February 10, 2009	\$4,174.00
24	AP	January 29, 2010	\$4,891.00
25	AP	January 31, 2011	\$4,553.00
26	AP	January 18, 2012	\$3,407.00
27	DR	February 1, 2010	\$3,002.00
28	DR	January 24, 2011	\$3,751.00
29	SS	February 3, 2010	\$4,302.00
30	TH	January 7, 2011	\$4,959.00
31	KT	January 23, 2010	\$2,815.00
32	KT	January 14, 2011	\$5,590.00
33	KW	January 19, 2010	\$6,033.00
34	KW	February 5, 2011	\$6,422.00
35	AA	January 6, 2011	\$2,981.00

All in violation of Title 18, United States Code Section 286

COUNTS TWO THROUGH SEVEN
(False Claims For Refund)

1. The factual allegations contained in Introduction Section of this Indictment are realleged and incorporated herein as if copied verbatim.

2. JACKIE G. WOODSON, JR., STELLA RAYLEAN HESTER-JENKINS and TERRY ROSE prepared tax returns for clients, which were filed electronically which claimed false Schedule C business income in order to maximize Earned Income Credit refunds.

3. That between on or about January 18, 2012 and February 15, 2012, in the Western District of Virginia, TERRY R. ROSE, STELLA RAYLEAN HESTER-JENKINS, JACKIE G. WOODSON, and others known and unknown to the grand jury, made and presented to the Internal Revenue Service, an agency of the United States Department of the Treasury, claims against the United States for payment of a refund of taxes, which they then and there knew to be false, fictitious, and fraudulent. TERRY R. ROSE, STELLA RAYLEAN HESTER-JENKINS, JACKIE G. WOODSON, and others known and unknown to the grand jury made the claims by preparing and causing to be prepared, and presenting and causing to be presented to said agency, a U.S. Individual Income Tax Return, Form 1040 for the year 2011, which requested a refund to which the defendant knew the taxpayer was not entitled, described below:

COUNT	DEFENDANT	TAXPAYER	DATE	AMOUNT
TWO	ROSE and WOODSON	AP	January 18, 2012	\$3,407.00
THREE	HESTER-JENKINS and WOODSON	GC	January 24, 2012	\$3,426.00
FOUR	ROSE and WOODSON	LM	January 28, 2012	\$4,990.00
FIVE	ROSE and WOODSON	AH	February 7, 2012	\$2,796.00
SIX	ROSE and WOODSON	AE	January 18, 2012	\$5,570.00
SEVEN	HESTER-JENKINS and WOODSON	BA	February 15, 2012	\$5,538.00

All in violation of 18 United States Code Sections 287 and 2.

A TRUE BILL this 14th day of April, 2016.

s/Grand Jury Foreperson
FOREPERSON



JOHN P. FISHWICK, JR.
UNITED STATES ATTORNEY

2013R00546